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C O N F I D E N T I A L SECTION 01 OF 03 BEIRUT 000758

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OVP FOR HMUSTAFA

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SUBJECT: LEBANON: SOVEREIGNTY, STABILITY, AND SELF-INTEREST

REF: A. RIYADH 896
**B. BEIRUT 746

Classified By: Ambassador Michele J. Sison for reasons 1.4 (b) and (d).

SUMMARY

11. (C) Most Lebanese observers tell us they are confident Prime Minister-Designate Saad Hariri will be able to form a government, though the process may take time. As Saudi-Syrian negotiations on the formation of Lebanon's government continue, however, the question posed in Ref B has become increasingly relevant: Which is more important to the Lebanese, their country's sovereignty, or its stability? March 14 Christian contacts insist the concepts are not mutually exclusive, and Hariri has continued to stress that he plans to form the new cabinet without the interference of outside actors. Nonetheless, all contacts acknowledge that good relations between the Saudis and the Syrians are good for Lebanon, and indeed some Lebanese political figures are positioning themselves for a change in the regional power dynamics by seeking to reconcile with long-time foes. 14 leaders seem to accept the idea of Hariri visiting Damascus, but not until a cabinet is agreed upon (though this could still be before it is formed). Meanwhile, Hariri continues his internal consultations on government formation, while President Sleiman has remained publicly quiet, discussing the shape of the new cabinet in private meetings with the PM-designate. End summary.

GOVERNMENT FORMATION IN EVERYONE'S INTEREST

12. (C) With internal consultations and foreign negotiations ongoing, Embassy contacts seem confident that Saad Hariri will eventually be able to form a government. In a July 7 meeting with the Ambassador, Kataeb party leader Amine Gemayel assessed that successful cabinet formation was in the interest of all parties, including Michel Aoun's Free Patriotic Movement (FPM) and Hizballah. He said Aoun and Hizballah were looking to integrate into the political system to gain legitimacy, and therefore would not completely

sabotage government formation. Druze leader Walid Jumblatt told the Ambassador the same day that a government would be formed, but he would make no predictions as to when, arguing that Syria was in no hurry to see it happen. He was resigned to the fact that Syrian-Saudi negotiations -- and not internal consultations -- would lead to a new cabinet.

STABILITY WINNING OVER SOVEREIGNTY

- 13. (C) Such outside interference has not seemed to faze most Lebanese contacts, though March 14 Christian leaders Samir Geagea and Amine Gemayel both have expressed dismay at Syrian-Saudi intervention. Gemayel explained that Lebanon is the only country where sovereignty and stability supposedly contradict each other, when in fact they should reinforce each other. Most Embassy contacts, however, see regional developments as crucial to Lebanon's internal stability. Caretaker PM Fouad Siniora, Hariri, and others consistently point to the importance of regional peace for resolving Lebanon's internal disputes, particularly concerning Hizballah's weapons.
- 14. (C) The current Syrian-Saudi negotiations are viewed by many in that context. Jumblatt told the Ambassador he is particularly concerned about the possibility of violent Sunni-Shia conflict (in which the Druze minority he represents could be caught in the middle), and saw Saudi-Syrian reconciliation as a means of calming tensions. He believed the Saudis, who have their own Shia minority in

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the Eastern Province were working to draw the Syrians out of Iran's orbit and stop them from provoking sectarian strife in the Arab world. In the context of Lebanon, Jumblatt said, "The Syrians are out. They are not coming back. We need to figure out how to negotiate with them." If the Saudis managed to pull Syria back into the Arab fold, it would come at a price, believed Jumblatt, possibly in the form of a visit to Damascus by Saad Hariri.

15. (C) Gemayel also acknowledged the importance of regional developments to Lebanon's future. He quizzed the Ambassador on developments related to Middle East Peace, Israel's plans, and the U.S. relationship with Syria, proclaiming that U.S. actions would "determine the situation in Lebanon." Jumblatt put his lack of concern for Lebanon's sovereignty in the current context more bluntly, saying, "Saudi-Syrian reconciliation is more important than Lebanon's government formation."

A TIME FOR RECONCILIATION

16. (C) In the meantime, March 14 figures have been using the uncertainty of the current internal situation to reach out to political foes, in preparation for what outside developments might bring to Lebanon's political dynamic. Gemayel sent his son, newly-elected MP Sami Gemayel, on "reconciliation" visits to opposition Christian Marada party leader Suleiman Franjieh and FPM MP Alain Aoun. Jumblatt was in frequent contact with Amal's Nabih Berri, various Hizballah contacts, and opposition Druze leader Talal Arslan even before the elections. In addition, Hizballah, which has remained reasonably quiet during the post-election period, declared on July 7 through its Deputy SYG Sheikh Naim Qassim, that "the road is paved for political agreement." Qassim praised Hariri, with whom he said Hizballah had an "open and positive dialogue," and expressed support for better relations with Hariri's Future Movement and Jumblatt's Progressive Socialist Party.

WHEN WILL SAAD GO TO DAMASCUS? 17. (C) Lebanon's political class now agrees in principle to the idea of Saad Hariri visiting Damascus, though it is still unclear if the visit will occur before or after cabinet formation. Gemayel spoke out strongly against Hariri's visit occurring before the government is formed, saying it would appear that he was asking Syrian President Bashar Asad to bless his cabinet. If Saad goes after the formation of the cabinet, said Gemayel, he could go as head of government, in a position to negotiate on the important bilateral issues Lebanon has with Syria, such as border demarcation, arms in the Palestinian border camps, and the return of Lebanese detainees. March 14 SYG Fares Souaid told us July 7 that the Syrians were pushing for the meeting to occur before the cabinet has been determined, knowing that March 14 Christian leaders would object strongly, in an effort to break up the March 14 alliance. Jumblatt pointed to a third meeting scenario, in which Hariri could agree on the composition of a cabinet after consultation with the various stakeholders, officially take the office of Prime Minister through a presidential decree, and then visit Damascus before the cabinet is announced publicly. This might offer the best compromise solution, according to Jumblatt.

INTERNAL CONSULTATIONS CONTINUE

 $\P 8.$ (C) Since Hariri's return from Jeddah (Ref B), he has continued internal consultations on cabinet formation, meeting on July 7 with FPM's Gebran Bassil. He is still pushing for a 16-10-4 cabinet seat distribution (16 for the majority, 10 for the opposition, 4 for President Michel

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Sleiman) in an attempt to ensure a majority share of the cabinet for March 14. Jumblatt advisor Marwan Hamadeh cynically noted that this majority is not particularly significant for cabinet decisions of national importance, which require a two-thirds majority, but the simple majority would allow Hariri to push through decrees affecting his business interests, such as those of Hariri-controlled real estate company Solidere, or the selling of public land to Gulf partners. Jumblatt believed ultimately Hariri would give in to the President's demand for at least five ministers, since this would be an easier concession than going to Damascus before the cabinet is formed. "Better to give in inside, than outside," added Hamadeh.

¶9. (C) While Embassy contacts tell us consistently that President Sleiman is asking for five or six ministers in the new cabinet, he has made no public statements on the subject, though he has apparently broached it with Hariri. Jumblatt said Sleiman had been "ok" during this period, but should be more active in the cabinet formation process, a sentiment echoed by Souaid, who wondered why Sleiman did not take more initiative and push for a new government.

COMMENT

110. (C) When Saudi-Syrian talks began after the elections, Aoun decried Saudi meddling, ignoring Syrian participation. Meanwhile, Gemayel and Geagea have not objected as much to Saudi intervention as to Syria being included in decision-making on Lebanon. Aoun has gone back on his previous declarations that losing MP candidates should not be ministers, proposing that his son-in-law Gebran Bassil (who lost his MP bid in Batroun) return to the Telecom Ministry. In response, former March 14 MP Nayla Mouawad commented to the Ambassador June 8 that this was good news, since it left open the possibility for her son, Michel, who also lost his parliamentary race, receiving a ministry. Meanwhile, Jumblatt is positioning himself so he can once again ride the prevailing political wind, in the interest of his Druze community, on whose support he depends for his political

power. Sovereignty, stability, self interest -- each factor bears weight as lengthy deliberations continue to shape the Lebanese political landscape. End comment.

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